

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

2 HD1161
. A2F3

SOA

World Production and Trade

USDA LIBRARY
JUN 18 '87

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 20-87

May 20, 1987

RECORDS

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

SOVIET Spring Seeding Still Delayed. The May 13th issue of the Soviet newspaper, Izvestiya, reported that as of May 11 small grains and pulses were seeded on 22.7 million hectares; all spring crops were planted on 43.7 million. As shown below, these figures represent a considerable delay when compared with earlier years:

Date	All spring crops (million hectares)	Small grains & pulses (million hectares)
11 May 1987	43.7	22.7
12 May 1986	77.2	41.4
13 May 1985	68.7	36.5
14 May 1984	83.2	45.1
9 May 1983	75.8	41.5
10 May 1982	65.7	37.4

Plantings of other crops also were reported as of May 11:

Crop	Area planted	Percent of plan
Cotton	3.4 mil. ha.	99
Sugarbeets	2.6 mil. ha.	78
Sunflowers	1.6 mil. ha.	41
Potatoes	800,000 ha.	29

The figure for cotton, which is grown primarily in Soviet Central Asia, compares closely with those for earlier years. Conversely, the numbers for sugarbeets, sunflowers and potatoes--all produced largely in European USSR-- indicate planting progress is well behind that of any of the past 5 years. The delay for sunflowers appears the most serious. This year's figure of 1.6 million hectares is substantially less than the 3.55-million-hectare average of the previous 5 years.

-more-

SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

TAIWAN Purchases Record Volume of U.S. Corn. A recent purchase of 143,000 tons of U.S. corn brings Taiwan's 1986/87 (Oct/Sept) purchase commitments to roughly 3.1 million tons of U.S. corn. This is the largest volume of U.S. corn imports by Taiwan in a decade. Taiwan is turning to the United States for corn because of expanding imports and reduced exportable supplies in competing countries.

First Commercial Sale of U.S. Rice To ZANZIBAR. The United States sold 14,000 tons of U.S. long grain #3, 10% broken, well-milled rice to Zanzibar (Tanzania), a traditional Thai market. Both current competitive U.S. prices and credit were needed for Zanzibar to seriously consider switching suppliers. After a tour through the rice area of Texas and Arkansas and credit approval, a visiting Zanzibar buying team purchased U.S. rice. Zanzibar is trying to develop a good trade relationship with the United States, and with continued credit and competitiveness of U.S. rice, is expected to continue purchasing U.S. rice.

OILSEEDS AND PRODUCTS

BRAZIL Proposes Railroad Projects To Facilitate Production and Trade. A recent report from the U.S. agricultural counselor in Brasilia details three proposed railroad projects along with their implications for agricultural production and trade. One project, dubbed the soybean railroad, would provide inexpensive transportation between the soybean-producing region around the city of Miranda and the Port of Paranagua. The total cost for the 1,263 kilometer track would be U.S.\$1.5 billion. The project also would improve the Port of Paranagua, Brazil's largest soybean port. Although the Brazilian President has authorized the government of Parana to begin the railroad, the question of finance is still unresolved; foreign investments are being solicited. Construction of the railroad along with the other two proposals would provide producers access to inexpensive transportation to several ocean ports for products grown in the Cerrados area of Brazil. The Cerrados area comprises 25 percent of Brazil's territory, with potentially 110 million hectares of arable land for crop production and 90 million hectares suitable for livestock and forestry. Currently only 10 percent of the arable land is under production, and it accounts for 24 percent of Brazil's agricultural output.

TOBACCO

U.S. Burley Exports to JAPAN Expected To Increase. The U.S. agricultural counselor in Tokyo reports that Japan is expected to increase imports of U.S. burley tobacco in 1987 in response to increased competition from cigarette imports. The burley leaf will be used by Japan to improve the quality of its domestic cigarette brands in response to changing consumer preferences toward milder blends. The United States exported 11,500 tons of burley to Japan in 1986 worth \$74.5 million. Imports of U.S. cigarettes increased 35 percent to 9.5 billion pieces from 1985 while value increased by 47 percent to \$147 million. Trade sources in Japan expect sales of U.S. cigarettes to double by March 1988.

FRUITS

BRAZIL'S Orange Production Up. Brazil's 1987 commercial orange crop in the state of Sao Paulo--about 80 percent of total Brazilian production--is estimated at 240 million boxes (40.8 KG boxes), according to the U.S. agricultural officer in Sao Paulo. This is a 20-million-box increase over 1986 and slightly above the record 1985 crop of 239 million boxes. The 1987 harvest is expected to benefit from improved weather, good fruit set from both main blooms and increased numbers of trees coming into production. Orange juice supply in 1987/88 (July/June) is expected to be 840,000 tons (65 degrees brix), about the same as the 1986/87 level. Although 1987/88 beginning juice stocks are estimated to be down sharply, juice production will be up based on a larger crop and lower domestic fresh orange consumption. Frozen concentrate orange juice exports from Brazil for 1986/87 (July/June) are forecast at a record 765,000 metric tons (previous record was 762,000 tons in 1984/85).

CREDIT NOTES

Freight Coverage Announced Under USDA Credit Programs. USDA will permit guarantee coverage on credits for freight and marine and war risk insurance costs under the GSM-102 and 103 credit guarantee programs. The authority will be applied to specific country programs on a case-by-case basis, and only for sales made on a cost and freight or cost, insurance and freight basis. Iraq was the first country affected by the new authority.

GSM-102 Actions Announced for EL SALVADOR and IRAQ. USDA reallocated \$700,000 from corn and oilseeds so El Salvador can buy tallow. USDA reallocated \$5 million from wheat so Iraq can buy frozen poultry meat.

GSM-103 Action Announced for YEMEN. USDA reallocated \$10 million from wheat so the Yemen Arab Republic can buy wheat flour.

P.L. 480 Agreements Signed With YEMEN and SRI LANKA. Yemen signed a Title I agreement for 45,000 tons of wheat and 25,000 tons of rice for a total value of \$10 million. A Title I agreement with Sri Lanka was amended to increase the value to \$15.8 million and the quantity of wheat to 142,300 tons.

-more-

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of May 15, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS
67. Soviet Union wheat	Apr. 30, '87	4,000,000 Sold 1,000,000
66. Turkey rice	Apr. 3, '87	70,000
65. Colombia barley malt	Apr. 3, '87	15,000
64. Iraq table eggs	Feb. 20, '87	189 million eggs
63. Canary Islands poultry	Feb. 9, '87	5,000 Sold 4,000
62. Nigeria wheat	Jan. 28, '87	500,000
61. China wheat	Jan. 26, '87	1,000,000 COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000 Sold 440,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000 Sold 9,000
58. Poland wheat	Jan. 7, '87	500,000 COMPLETE
57. Poland barley or sorghum	Dec. 31, '86	200,000 Sold 137,000
56. Romania wheat	Dec. 23, '86	250,000
55. Iraq poultry	Dec. 22, '86	60,000 Sold 25,000
54. Dominican Republic table eggs	Dec. 9, '86	25 million eggs Sold 11.1 million eggs
53. Zanzibar wheat flour	Dec. 9, '86	20,000
52. Tunisia barley	Dec. 1, '86	150,000
51. Gulf countries (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head Sold 740
50. West Africa (Cameroon, Cote d'Ivoire, Ghana, Togo) wheat	Oct. 30, '86	345,000 Sold 79,500
49. Dominican Republic poultry	Oct. 29, '86	1,500 Sold 1,133
48. Philippines barley malt	Oct. 20, '86	60,000 Sold 25,000
47. Cameroon wheat flour	Oct. 14, '86	20,000
46. Romania barley	Sept. 24, '86	200,000 Sold 125,000
45. Venezuela barley malt	Sept. 4, '86	100,000
44. Cyprus barley	Aug. 26, '86	150,000 Sold 108,000
43. Canary Islands wheat	Aug. 8, '86	100,000
42. Egypt semolina	Aug. 6, '86	30,000 Sold 23,000
41. Soviet Union wheat	Aug. 1, '86	4,000,000 EXPIRED
40. Canary Is. dairy cattle	July 28, '86	3,000 head COMPLETE
39. Hong Kong table eggs	July 28, '86	44 million eggs COMPLETE
38. Senegal wheat	July 17, '86	100,000 COMPLETE
37. India vegetable oil	July 8, '86	25,000 COMPLETE
36. Jordan barley	June 17, '86	60,000
35. Israel barley	June 17, '86	200,000 Sold 66,682
34. Tunisia dairy cattle	May 29, '86	4,000 head COMPLETE
33. Algeria dairy cattle	May 29, '86	5,000 head COMPLETE

-more-

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

32. Sri Lanka wheat	May 16, '86	125,000	COMPLETE
	March 5, '87	95,000	Sold 85,000
31. Saudi Arabia barley	May 7, '86	500,000	COMPLETE
	Aug. 6, '86	250,000	COMPLETE
	Sept. 16, '86	300,000	COMPLETE
	Oct. 8, '86	200,000	COMPLETE
			(201,000)
	Jan. 5, '87	1,250,000	COMPLETE
30. Algeria barley	Apr. 17, '86	500,000	Sold 36,000
29. Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE
28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 2,801
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 7,000
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 193,050
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
23. Syria wheat	Apr. 8, '86	700,000	CANCELLED
22. Benin wheat	Apr. 7, '86	45,000	Sold 30,000
21. Algeria table eggs	Apr. 4, '86	500 million	eggs
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 1,265
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 250,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE
			(152,400)
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 17, '86	40,000	Sold 33,000
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 23,700
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	Sold 25,000
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	Sold 12,500
	Feb. 27, '87	6,000	
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 15,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	

-more-

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	Sold 260,000
5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	Sold 25,000
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE (512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	Sold 29,000
	Oct. 8, '86	1,000,000	Sold 406,000
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 354,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	Sold 236,000

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced as of May 15, 1987

Announced to Date 27,178,680 tons grains and products (grain equivalent)
 758 million table eggs
 140,500 tons frozen poultry
 52,500 head dairy cattle
 25,000 tons vegetable oil

Sold to Date 11,620,059 tons wheat
 1,446,876 tons flour (grain equivalent)
 2,876,682 tons barley
 72,610 tons semolina (grain equivalent)
 64,932 tons barley malt (grain equivalent)
 106,000 tons sorghum
 38,700 tons rice
 7,000 tons poultry feed
 25,000 tons vegetable oil
 82,633 tons frozen poultry
 39,131 head dairy cattle
 54,572,004 table eggs

Total Sales Value: \$1,549.7 million
 Estimated Bonus Book Value: \$1,037.6 million
 Market Value of Awards: \$725.5 million

TARGETED EXPORT ASSISTANCE PROGRAM

No announcements were made under the TEA program this week.

Selected International Prices

Item	:	May 19, 1987	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.		151.00	4.11	-5.50		N.Q.
U.S. No. 2 DNS/NS: 14%....		140.00	3.81	-6.00		163.00
U.S. No. 2 S.R.W.		132.50	3.61	-10.50		121.00
No. 3 H.A.D.....		166.00	4.52	-4.00		170.00
Canadian No. 1 A: Durum10/		163.50	4.45	-0-		N.Q.
Feed grains:						
U.S. No. 3 Yellow Corn....		94.00	2.39	-4.00		119.00
Soybeans and meal:						
U.S. No. 2 Yellow.....11/		227.35	--	--		214.00
Brazil 47/48% Soya Pellets		208.00	--	+2.00		189.00
U.S. 44% Soybean Meal..12/		205.00	--	-5.00		183.00
U.S. FARM PRICES 3/						
Wheat.....		99.57	2.71	-2.94		120.51
Barley.....		71.65	1.56	+0.92		59.71
Corn.....		64.96	1.65	-2.36		94.09
Sorghum.....		60.63	2.75 2/	+0.66		90.17
Broilers.....		1,155.87	--	-24.91		1,225.76
EC IMPORT LEVIES						
Wheat 5/.....		235.42	6.41	+0.87		174.80
Barley.....		228.20	4.97	+0.32		161.25
Corn.....		211.05	5.36	+0.65		152.10
Sorghum.....		215.50	5.47	-2.45		159.70
Broilers 4/ 6/ 8/.....		530.00	--	+4.00		343.00
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		224.31	6.10	+0.93		196.70
Bread wheat (min. quality)		234.76	6.39	+0.96		208.90
Maize.....		234.76	5.96	+0.96		196.70
Barley and all other feed grains, excluding maize.		224.31	--	+0.93		196.70
Broilers 4/ 6/.....		1,590.00	--	+1.00		1,432.00
EC EXPORT RESTITUTIONS (subsidies)						
Wheat		N.A.	--	--		N.A.
Barley.....		N.A.	3.45	+3.45		N.A.
Broilers 4/ 6/ 8/.....		431.00	--	+3.00		253.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ May shipment. 11/ October shipment. 12/ September shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis June delivery.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

FIRST-CLASS MAIL
POSTAGE & FEES PAID
USDA-FAS
WASHINGTON, D.C.
PERMIT No. G-262

If your address should be changed _____ PRINT
OR TYPE the new address, including ZIP CODE and
return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U.S. Department of Agriculture
Washington, D.C. 20250

This report and other statistical, economic, marketing and news reports are available within minutes of their release through USDA's Electronic Disseminated Information (EDI) Service. For more information, call or write Russell Forte (202) 447-5505, Room 536-A OGPA, USDA, WASHINGTON, D.C. 20250.

HOW TO SUBSCRIBE

To subscribe, send your name and address to the Foreign Agricultural Service, Information Division, Room 5918-S, U.S. Department of Agriculture, Washington, D.C. 20250. The World Production and Trade report is available on a regular basis only to residents of the United States.